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## ALL THINGS CONSIDERED

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According to intelligence sources, Yasser Arafat was overheard ordering leaders of his delegation in London to renege on a statement renouncing violence. He also justified the plan that went awry in the hijacking of the Italian cruise liner. And he indicated a decision to return to a policy of armed struggle.

Partial transcripts of telephone conversations last weekend between Arafat and two Palestinians in London, Mohammed Milhem and Anglican Bishop Elias Khoury, are understood to be in the hands of the Reagan administration.

A statement recognizing Israel's right to exist and supporting a peaceful settlement had been agreed upon and was supposed to be signed before a meeting between a joint Jordanian-Palestinian delegation and British officials headed by Foreign Secretary Geoffrey Howe.

On the telephone, according to our sources, the leaders of the Palestinian delegation appeared to be astounded when Arafat ordered them not to sign the statement. Bishop Khoury said this would jeopardize the meeting with Howe. Arafat replied that there was no need to worry -- that sooner or later the British would be obliged to deal with the PLO.

Arafat then said that the PLO was going back to its policy of armed struggle that had been pursued in the early 1970s. (That was the period after the PLO's expulsion from Jordan, a particularly violent period that included the assault of the so-called "Black September" on the Israeli team at the Munich Olympic Games.)

Then Arafat referred to the botched attempt to infiltrate armed men into an Israeli port aboard the Achille Lauro. He is quoted as saying, "This act was important. Its objective was to make the world tremble before PLO fighters. I predicted that if our aspirations were ignored, the volcano would erupt. And that has happened."

This is the first information directly linking Arafat to the hijacking episode, and it suggests that it was part of a basic policy shift.

Also intercepted, intelligence sources say, was a message in Arafat's name ordering PLO offices around the world to say that cancellation of the London meeting had resulted from British efforts to make last-minute changes in the wording of the agreed statement. That has been flatly denied by King Hussein, to whom Prime Minister Thatcher originally suggested such a meeting during her visit to Jordan a month ago.